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IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, NORTHERN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

DIGITAL LICENSING INC. (d/b/a “DEBT Box”), a Wyoming corporation; JASON R. ANDERSON, an individual; JACOB S. ANDERSON, an individual; SCHAD E. BRANNON, an individual; ROYDON B. NELSON, an individual; JAMES E. FRANKLIN, an individual; WESTERN OIL EXPLORATION COMPANY, INC., a Nevada corporation; RYAN BOWN, an individual; IX GLOBAL, LLC, a Utah limited liability company; JOSEPH A. MARTINEZ, an individual; MARK W. SCHULER, an individual; B & B INVESTMENT GROUP, LLC (d/b/a “CORE 1 CRYPTO”), a Utah limited liability company; TRAVIS A. FLAHERTY, an individual; ALTON O. PARKER, an individual; BW HOLDINGS, LLC (d/b/a the “FAIR PROJECT”), a Utah limited liability company; BRENDAN J. STANGIS, an individual; and MATTHEW D. FRITZCHE, an individual,

Defendants,

**ANSWER OF DEFENDANTS CALMES
& CO, INC. AND CALMFRTIZ
HOLDINGS, LLC**

Case No. 2:23-cv-00482

<p>ARCHER DRILLING, LLC, a Wyoming Limited liability company; BUSINESS FUNDING SOLUTIONS, LLC, a Utah Limited liability company; BLOX LENDING, LLC, a Utah limited liability company; CALMFRTZ HOLDINGS, LLC, a Utah Limited liability company; CALMES & CO, INC., a Utah corporation; FLAHERTY ENTERPRISES, LLC, an Arizona limited liability company; IX VENTURES FZCO, a United Arab Emirates company; PURDY OIL, LLC, a Nebraska limited liability company; THE GOLD COLLECTIVE LLC, a Utah limited liability company; and UIU HOLDINGS, LLC, a Delaware limited liability company,</p> <p style="text-align: center;">Relief Defendants.</p>	
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Defendants CALMES & CO, INC. AND CALMFRTZ HOLDINGS, LLC, (“Answering Relief Defendants”) through counsel, answer and respond to the Complaint filed July 26, 2023 (the “Complaint”) by the SECURITIES AND EXCHANGE COMMISSION (the “Plaintiff”), as follows:

FIRST DEFENSE

The Complaint fails to state a claim upon which relief may be granted against Answering Relief Defendants.

SECOND DEFENSE

In response to the individually numbered paragraphs of the Complaint, Answering Relief Defendants admit, deny and aver as follows:

1. With regard to paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 31, 32, 33, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47,

48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 102, 103, 104, 106, 107, 108, 109, 111, 112, 113, 115, 116, 117, 119, 120, 121, 123, and 124, of the Complaint, these paragraphs are not directed at these Answering Relief Defendants and therefore no response is required. In the event a response is required, Answering Relief Defendants deny for insufficient information.

2. With regard to paragraph 30 of the Complaint, Answering Relief Defendants admit that Matthew Dillon Fritzsche is the Registered Agent for Calmfritz holdings, LLC. Answering Relief Defendants deny the remaining allegations contained in paragraph 30 of the Complaint for insufficient information.

3. With regard to paragraph 34 of the Complaint, Answering Relief Defendants admit that Calmfritz Holdings, LLC is a Utah limited liability company headquartered in Sandy, Utah and admit that Matthew Fritzsche is the Registered Agent for the entity. Answering Relief Defendants deny the remaining allegations contained in paragraph 34 of the Complaint.

4. With regard to paragraph 35 of the Complaint, Answering Relief Defendants admit that Calmes & Co. Inc. is a Utah corporation with its principal place of business in Sandy, Utah. Answering Relief Defendants deny the remaining allegations contained in paragraph 35 of the Complaint.

5. With regard to paragraph 126 of the Complaint, Answering Relief Defendants deny all allegations directed at Answering Relief Defendants. Answering Relief Defendants deny the remaining allegations contained in paragraph 126 against the other Relief Defendants for insufficient information.

6. With regard to paragraph 127 of the Complaint, Answering Relief Defendants deny all allegations directed at Answering Relief Defendants. Answering Relief Defendants deny the remaining allegations contained in paragraph 127 against the other Relief Defendants for insufficient information.

7. With regard to paragraphs 101, 105, 110, 114, 118, 122, and 125, Answering Relief Defendants reallege and incorporate their responses to all preceding paragraphs.

GENERAL DENIAL

Except to the extent expressly admitted above, Answering Relief Defendants deny any and all allegations, averments, requests for judgment, and claims for relief set forth in the Complaint.

AFFIRMATIVE DEFENSES

1. This action is barred because Answering Relief Defendants have a legitimate claim to the funds that are the subject of this action, which Answering Relief Defendants received in exchange for consideration in the nature of services rendered by Answering Relief Defendants.

2. In the event it is shown that Answering Relief Defendants do not have a legitimate claim to certain funds they received, which Answering Relief Defendants deny, any award must be reduced by legitimate expenses incurred by Answering Relief Defendants.

3. Plaintiff's claims against Answering Relief Defendants are barred because the remedy sought improperly functions as a penalty rather than to restore the status quo.

4. Answering Relief Defendants assert all defenses and affirmative defenses to the underlying causes of action that have been or will be raised by the Defendants or that become

known as a result of discovery or otherwise.

RESERVATION OF FURTHER DEFENSES

Answering Relief Defendants reserve the right to assert additional defenses to the extent that such defenses become known as a result of discovery or otherwise.

PRAYER FOR RELIEF

WHEREFORE, Answering Relief Defendants pray for relief as follows:

- A. that Plaintiff has and take nothing by its Complaint herein;
- B. that the Complaint be dismissed as against Answering Relief Defendants, no cause of action;
- C. that Answering Relief Defendants be awarded their reasonable expenses, costs and attorneys' fees to the extent permitted by applicable law; and
- D. for such other and further relief the court deems just and equitable.

DATED this 13th day of October, 2023.

COHNE KINGHORN
A Professional Corporation

By: Kathryn Tunacik Smith
Paul T. Moxley
Kathryn Tunacik Smith
*Attorneys for Calmes & Co, Inc.
and Calmfritz Holdings, LLC*

CERTIFICATE OF SERVICE

I hereby certify that on the 13th day of October, 2023, I caused the foregoing **ANSWER OF DEFENDANTS CALMES & CO, INC. AND CALMFRTIZ HOLDINGS, LLC** to be filed with the Clerk of the Court by using the electronic filing system, which will send a notice of electronic filing to the attorneys of record in this case:

/s/ Kathryn Tunacik Smith